

JERROLD OPPENHEIM
57 MIDDLE STREET
GLOUCESTER, MASSACHUSETTS 01930-5736 USA
+1 (978) 283-0897
Fax +1 (978) 283-0957
JerroldOpp@DemocracyAndRegulation.com
www.DemocracyAndRegulation.com

December 13, 2004

Mary Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, Second floor
Boston, Mass. 02110

RE: DTE 04-106, Western Massachusetts Electric Co. rate settlement

Dear Secretary Cottrell:

This is the Comment of the low-income weatherization and fuel assistance network on the proposed settlement of the above-captioned docket. This Comment is limited to Article VIII – Low Income Program of the proposed settlement and opposes the settlement unless certain changes are included in the proposed Low Income Program. However, the network is scheduled to meet with Western Massachusetts Electric Co. (WMECo or the Company) shortly after the deadline for this Comment and expects to fully resolve all issues raised in this Comment. We will notify the Department of the outcome of that negotiation.

This letter is filed on behalf of the low-income weatherization and fuel assistance network, including its member agencies that serve customers of the Company. G.L. c. 25, sec. 19 (St. 1997, c. 164, sec. 37) provides that “The low-income residential demand-side management and education programs shall be implemented through the low-income weatherization and fuel assistance program network and shall be coordinated with all gas distribution companies in the commonwealth with the objective of standardizing implementation.” Members of the network implement the Company’s low-income DSM programs, including education. They also process applications for LIHEAP and other assistance for Company customers. Members of the network counsel customers of the Company about rates and payment options, and arrange rate payment assistance (including LIHEAP and other forms of assistance) for Company customers. Many of the Company’s customers, especially the low-income customers served by members of the network, are currently having an especially difficult time paying their bills due to the significant increases in recent years in the price, and the price volatility, of utility services.

The network and its agencies are thus substantially affected by the proposed NUStart program to manage payment arrears because (a) their clients (or clients of their members) are more likely to require such assistance, especially as rates and volatility rise, (b) the efficiency, weatherization, education, counseling and payment assistance services they (or their members) offer are less likely to result in affordable utility bills for their clients as rates and volatility rise, unless an effective arrears management program is operating, (c) they (or their members) will be increasingly called upon to secure other means of assistance with utility bills as rates and volatility rise, unless an effective arrears management program is operating, (d) they (or their members) will be increasingly called upon to assist clients who have had utility service terminated for non-payment, unless an effective arrears management program is operating, and (e) they will be called upon by their members to assist them in helping members' clients as rates and volatility rise, unless an effective arrears management program is operating. The network and its agencies also represent the interest of their (or their members') clients in utility bills that they can afford to manage and pay; clients are substantially affected by bills that they cannot afford to pay.

WMECo proposes to establish a program to assist its low-income customers manage their payment arrears and the network applauds the Company for the effort, which has the potential to be the leading such program in the Commonwealth. However, the experience with arrears management programs at other Massachusetts utilities teaches that an effective program requires certain changes to the NUStart program now in operation in Connecticut, on which WMECo's proposal is based. These changes include:

- Operation in cooperation with the low-income weatherization and fuel assistance network in order to bring all available assistance resources to participating clients. In this way, for example, clients with arrears may receive other forms of assistance to help them pay their bills and achieve a regular payment pattern, including, where available, cash grants, energy efficiency services, and counseling such as budget counseling.
- Allowance of renegotiated payment plans where necessary to provide a reasonable opportunity for clients to complete a payment plan. In this way, clients who initially misestimate their ability to pay, or to whom an additional misfortune befalls, such as job loss, accident, or illness, are not thrown into further crisis by the threat of a utility service termination.

- Reducing the period for which regular payments are required before arrearages are forgiven. Other Massachusetts utilities provide their full benefit in similar programs after six months of regular payments, which provides a more easily attained incentive to establish regular payment habits than the Company proposes. The limited experience of Massachusetts programs indicates that the six-month period is an adequate incentive to establish such habits.
- Data collection, including reporting at least to the network on a periodic basis, in order to evaluate the success of the program, as well as to measure its costs and benefits, and to evaluate the appropriateness of changes to the program.

Finally, there should be a more specific quantification of the expected size of the program.

The network expects to resolve these issues shortly with the Company. However, if negotiations are not successful, the network asks that the Department open evidentiary hearings in this docket for the limited purpose of considering the NUSmart arrears management program proposed in Article VIII of the proposed settlement. In that event, the network would have no objection if the rates proposed in the settlement were allowed to take effect January 1, 2005, subject to refund.

Respectfully submitted,

The Massachusetts low-income weatherization and fuel assistance program network, by its attorney

Jerrold Oppenheim